


From: EnergyGuardian <energy@email.energyguardian.net>
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To: Coleman, Sam
Subject: Split emerges between biofuels leaders in wake of EPA delay



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 Energy and environment headlines for the afternoon of Tuesday,
November 25, 2014





Split emerges between biofuels leaders in wake of EPA delay

By Edward Felker



The decision last week by the Obama administration to delay a final biofuels rule for 2014 is leading to conflict within the industry over the future of the program.

Mike McAdams, president of the Advanced Biofuels Association, on Tuesday renewed his call for Congress to write new legislation to reform the Renewable Fuel Standard, a stance that put him at odds with other biofuels groups.

He argued that the approach adopted by the Environmental Protection Agency to keep biofuels at about 10 percent of the motor vehicle fuel market, based on the predominant blend of ethanol into gasoline sold to consumers, threatens to kill investment into ethanol made from non-corn cellulosic feedstocks.

"It's time for Congress to step in and do something," McAdams said in an interview.

He said the inaction by EPA was good in the short run for cellulosic makers, as EPA is expected to simply adopt the advanced biofuels industry output this year, about 3 billion gallons, as its 2014 compliance standard -- about 50 percent more than it proposed.

But it also effectively leaves the program to be filled by corn-based ethanol makers, whose plants are already in place, he said, unless EPA raises its usage targets above 10 percent or there is a more definite carve-out for cellulosic ethanol.

McAdams spoke a day after Sen. Ben Cardin, D-Md., who serves on the Senate Environment and Public Works Committee, said he will write a bill to address the problems that led EPA to give up on completing a rule setting final usage requirements for 2014.

"The EPA continues to be faced with having to administer what amounts to an unworkable statute when it comes to Renewable Fuel Standard," Cardin said in a statement.

The agency originally had proposed cuts in 2014 usage compared to 2013 levels, cuts that were strongly opposed by biofuels groups and farm-state lawmakers.

It said Friday, more than year after it was to complete work on the 2014 rule, that it would try to issue a new three-year proposal in 2015 that would set targets through 2016.

McAdams said the long delays are causing interest in reforming the program to grow on Capitol Hill, notably by the Republican leaders on energy and environment committees. "There were a whole number of congressmen that said, 'OK, maybe it's time for us to look at this thing.' "

He also criticized biofuels groups representing conventional ethanol makers, led by the Renewable Fuels Association and Growth Energy, which have argued that the 2007-era program should not be revamped by Congress.

McAdams said they have argued against EPA's use of the 10 percent limit, known as the "blend wall," but are now saying EPA should be left to try to push ethanol use past that share of the market.

Bob Dinneen, president of RFA, attributed Cardin's interest in the matter to the poultry growers in his state and their desire for low feed prices. The RFS has been criticized by food groups, who argue it adds pressure to the price of corn, an argument biofuels groups reject.

Dinneen also noted that McAdams is not in line with another cellulosic ethanol group, the Advanced Ethanol Council. Its executive director, Brooke Coleman, on Friday called for RFS issues to remain under the authority of EPA.

"He's a little out of step with the folks that represent the biofuels industry," Dinneen said of McAdams, calling him "someone known among the biofuels crowd as the oil industry's biofuels spokesperson."

Dinneen said his group believes EPA has the chance to grow the market for biofuels in the next rule proposal that will help both conventional and cellulosic producers.

"Nobody thinks Congress adding more uncertainty, to the uncertainty EPA has already thrown into this, is going to be helpful. We think that the EPA, having avoided the train wreck that they were about to promulgate, is now fixated on putting the program back on track."

In response to Dinneen, McAdams said "I represent the advanced biofuels industry. Unfortunately, our interests don't necessarily align with maintaining corn ethanol."

The RFS has been under attack from the oil industry, which calls it a "broken program," but it has yet to convince lawmakers to take up a repeal or reform bill.

Cardin's statement nonetheless indicates some Democratic backing for a possible deal with Sen. James Inhofe, R-Okla., an opponent of the RFS who is expected to chair the environment panel next year. Inhofe also called the program "broken" in a statement on Friday.



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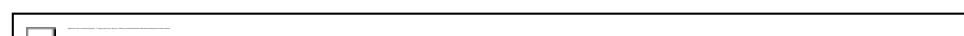
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Upcoming Events



Supreme Court takes up challenge to EPA mercury rule

By Mark Sherman

WASHINGTON (AP) — Environmental Protection Agency rules designed to clean up chromium, arsenic, acid gases, nickel, cadmium as well as mercury and other dangerous toxins in the air will be reviewed by the Supreme Court. The pollutants contribute to respiratory illnesses, birth defects and developmental problems in children.

Justices have agreed to look at a ruling that upheld emission standards for coal- and oil-fired power plants in the face of a challenge from industry groups and 21 states. The federal appeals court in Washington, D.C., upheld the EPA regulations in April.

One judge on the appeals court complained then that the EPA didn't consider costs in deciding whether regulation of hazardous air pollutants from power plants is appropriate.

"The problem here is that EPA did not even consider the costs," wrote Judge Brett Kavanaugh of the U.S. Circuit Court of Appeals for the District of Columbia. "And the costs are huge, about \$9.6 billion a year — that's billion with a b — by EPA's own calculation."

The other two judges on the appellate panel said in response that the EPA properly looked only at health risks, not compliance costs, in deciding that mercury and the other pollutants should be regulated. But the agency did factor in costs and benefits at the next step, when it wrote the standards that the plants need to meet, the court said.

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US stocks dip as oil pushes energy sector lower

By Steve Rothwell

NEW YORK (AP) — A slump in energy prices pushed the stock market back from record levels on Tuesday.

Energy stocks slid as the price of oil resumed its descent. Traders speculated that member nations of the oil-producing group OPEC would fail to agree on production cuts at an upcoming meeting in Vienna on Thursday. Oil has now dropped almost a third from a peak in June.

While lower oil prices are a long-term boon to consumers and industrial companies, they are a drag on stocks in the near term because energy companies account for about 10 percent of the overall market's profits.

Despite the losses, the major indexes remain close to all-time highs.

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As OPEC faces tough test, lower oil prices loom

By Jonathan Fahey

NEW YORK (AP) — These are the moments OPEC exists for: A sharp drop in global oil prices has reduced the amount of money OPEC countries take in by nearly \$1 billion a day.

The 12-member group's purpose is to coordinate how much oil is produced in order to keep prices high and stable and maximize member countries' revenue while making sure global demand for oil stays strong. A steep, coordinated cut in output could stop and possibly reverse what has been a 30 percent decline in prices over five months.

But there is widespread doubt that OPEC will be able to do much of anything when it meets Thursday in Vienna. Either the members won't agree to a cut, analysts say, or the cut will be too small to influence oil prices. They could also, as in the past, agree to lower production but then fail to stick to the target.

That could mean further declines in the price of oil, along with fuels such as gasoline, diesel and jet fuel.

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Guessing game: What are OPEC nations thinking?

By Jonathan Fahey

NEW YORK (AP) — Does Saudi Arabia have it out for frackers in the U.S.? Or Iran? Or Russia? Will low oil prices make it easier to fight the Islamic State? Or harder?

Trying to guess what OPEC members are thinking in the run-up to Thursday's meeting in Vienna is a high stakes parlor game for energy analysts, political scientists and armchair geo-politicians.

This year the game is more complex than it has been in years. There is political upheaval across the Middle East, Iran is suffering under Western sanctions, and surprising growth in oil production outside of OPEC is sapping OPEC nations of badly-needed revenue. After four years of high and steady global oil prices, crude has fallen 30 percent in 5 months, reducing OPEC revenues by nearly \$1 billion a day.

Saudi Arabia is adding to the intrigue. OPEC's biggest and most important member has been uncharacteristically quiet in recent weeks about its intentions.

In theory, OPEC can push prices back up by cutting the amount of oil it sells. In reality, OPEC member countries have different, often conflicting priorities and don't adhere to the cartel's official sales targets.

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United States subpoenas Brazil's Petrobras

By Adriana Gomez Licon

SAO PAULO (AP) — The United States Securities and Exchange Commission has subpoenaed documents in its investigation into corruption allegations at Petrobras, Brazil's state-run oil giant said.

In a statement late Monday, Petrobras pledged to "cooperate with the United States public authorities with the same dedication it has been cooperating with Brazilian public authorities."

Petrobras acknowledged the documents requested were "related to an investigation into the company initiated by the SEC" and said the materials would be forwarded to the U.S. market regulator following consultations with the company's U.S. and Brazilian attorneys. Brazil's largest company had already hired two law firms, one local and the other based in the U.S., in order "to conduct an independent internal investigation," the statement said.

Shares of the energy giant are traded on the New York Stock Exchange, which allows the SEC to conduct its own investigation into Brazil's largest company, long considered a crucial motor for the country's development.

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Shale gas company extends exploration in Poland

By The Associated Press

WARSAW, Poland (AP) — Oil and gas firm San Leon Energy is extending its licenses to explore for shale gas in northern Poland, a company official said Tuesday.

The decision is good news for the shale gas sector in Poland, where, after an initial rush, major exploring companies pulled out citing difficult geological conditions and restrictive regulations.

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Ukraine still struggling to get shale investment

By The Associated Press

WARSAW, Poland (AP) — Ukraine's government is still struggling to entice Western companies to invest in exploration for shale gas despite recent reforms meant to help the industry.

Maksim Karpin, a Ukrainian state official for geology and mineral resources, said Tuesday that the government was "taking every step" to meet international standards as well as the needs of the companies on the ground, but it was still waiting to see foreign investment.

Speaking on the sidelines of a conference in Poland, he said that the hostility of local communities in western Ukraine might be stalling license holders Chevron and Eni.

In eastern Ukraine, the armed conflict has made Chevron abandon drilling for conventional gas, according to Georgi Rudko, chairman of a Ukrainian state commission for mineral resources.

Nepal signs Indian power deal during Modi visit

By Binaj Gurubacharya

KATMANDU, Nepal (AP) — Nepal signed an agreement Tuesday for an Indian company to build a \ \$1 billion hydroelectric plant to boost supplies in the energy-starved Himalayan nation and export power to India.

The move comes as regional leaders, including Indian Prime Minister Narendra Modi, arrived in Nepal for a meeting of the South Asian Association for Regional Cooperation.

Under the \ \$1.04 billion deal, Indian company Satluj Jal Vidyut Nigam Ltd. will build the 900 megawatt Arun III hydropower station, which is expected to begin producing electricity in 2020. More than three quarters of its output will be exported to India, said Ghanashyam Ojha, external affairs official at the Investment Board Nepal.

The agreement, which was endorsed by Nepal's Cabinet late Monday, comes two months after a similar deal with another Indian company. In September, Nepal signed an agreement with Indian company GMR to build the \ \$1.15 billion Upper Karnali Hydro power plant.

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Chile: ENAP refinery fire injures 2 workers

By The Associated Press

SANTIAGO, Chile (AP) — A fire at a refinery owned by Chile's state oil company ENAP has injured two workers.

Local television stations aired images of a towering plume of smoke billowing over the port city of Concon. But ENAP says the Tuesday morning blaze at a unit of the Aconcagua refinery is now under control.

ENAP says contractors Sebastian González and Pedro Alvarez are being treated for minor injuries at a local hospital.

Aconcagua is one of Chile's top oil refineries along with the Bio Bio refinery, also owned by ENAP.

The Aconcagua refinery has started an investigation into the accident.

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Tom Steyer takes a victory lap.

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Tax break measure would face veto

A draft agreement on tax extenders being negotiated by lawmakers -- which would, among other things, phase out the Production Tax Credit for wind energy -- also would face a veto from President Obama, according to an email from a White House spokeswoman, Bloomberg reports.

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Judge stops EPA's Pebble Mine moves

The Environmental Protection Agency will have to wait on moves to restrict development of Pebble Mine, as Judge H. Russel Holland has issued a preliminary injunction against them, Alaska Public Radio reports.

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Oil slides again without agreement on cuts

As representatives from Saudi Arabia, Russia, Venezuela and Mexico failed to agree on production cuts ahead of the OPEC meeting later this week, oil prices resumed their slide Tuesday. West Texas Intermediate Crude for January delivery plunged 2.2 percent, or \ \$1.69, to \ \$74.09 on the Nymex, while in London Brent tumbled \ \$1.35 to \ \$78.33, Bloomberg reports.

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T-Day gas prices lowest in 4 years

At a national average of \ \$2.81 a gallon, Thanksgiving gasoline prices haven't been this low since 2009, according to the AAA, which says that could trigger more than a 4 percent increase in people driving over the holiday, FuelFix reports.

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Florida regulators ditch solar rebates, roll back efficiency goals

On a 3-2 vote, the Florida Public Service Commission has fallen in line with proposals from Duke Energy Florida, Tampa Electric and Florida Power & Light, agreeing to wrap up solar rebate programs by the end of next year and reduce efficiency goals by more than 90 percent, the Tampa Bay Times reports.

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Illinois OKs wind transmission line

The Illinois Commerce Commission has granted approval for Clean Line Energy Partners' Rock Island Clean Line, intended to transmit power 500 miles from wind farms in the Plains states, Crain's Chicago Business reports.

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Md. fracking rules coming before he leaves: O'Malley

Departing Gov. Martin O'Malley, D-Md., says he'll draw up rules to govern fracking in the western part of the state which will limit pollution risks, even though his pro-drilling Republican successor would have the power to loosen restrictions once he takes office in January, The Washington Post reports.

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BLM targeted by lawsuit over coal-leasing program

Friends of the Earth and the Western Organization of Resource Councils, backed by Microsoft co-founder Paul Allen, have filed a [lawsuit](#) in U.S. District Court for the District of Columbia against the Bureau of Land Management over the agency's coal-leasing program, The Hill reports.

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Possible link between Dallas quakes, wastewater injection: Seismologist

At least four small earthquakes have shaken the Dallas area since the weekend, and SMU seismologist Brian Stump told NBCDFW it's possible they could be linked to fluid accumulating in wastewater injector wells in the region over the past decades.

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Climate change views unaffected by extreme weather: Study

People's views about the scientific basis of climate change don't change even when they're confronted with extreme weather events, according to a [study](#) published online Monday in the journal Nature Climate Change, the Los Angeles Times reports.

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More solar in Texas, but maybe not 20 percent: Fainter

A prediction that Texas will get a fifth of its electricity from solar by 2025 may be overly "ambitious," according to John Fainter, chief of the Association of Electric Companies of Texas, but he says its share of generation will grow as costs come down, Platts reports.

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Upcoming Events

- Nov. 25, Washington: American Petroleum Institute holds media teleconference on expected Environmental Protection Agency proposal on ground level ozone standards. 11:00 am , by teleconference.



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